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DEA OFFICIALS TOLD US THAT ORGANIZED CRIME IS BEHIND ALMOST ALL OF B.C.'S DRUG TRADE (SEE REFTEL). WHILE ORGANIZED CRIME IN THE PROVINCE IS TRADITIONALLY DEFINED AS MOTORCYCLE AND ETHNIC GANGS, AN RCMP REPORT EXPLAINS THAT ETHNIC BARRIERS ARE DISSOLVING, MAKING WAY FOR HIGH LEVELS OF COOPERATION AMONG THE VARIOUS ORGANIZED CRIME GROUPS, WHICH SPECIALIZE IN SPECIFIC ASPECTS OF THE TRADE AND SHARE THEIR EARNINGS. FOR EXAMPLE, VIETNAMESE GANGS GROW MARIJUANA, WHICH INDO-CANADIAN ORGANIZATIONS THEN TRANSPORT INTO THE UNITED STATES. HELLS ANGELS OFTEN OVERSEE NETWORKS OF GROWERS AND HELP COORDINATE SMUGGLING RUNS INTO THE U.S. CRIME RINGS USE MARIJUANA GROW-OPS TO FUND OTHER SERIOUS CRIMES-SUCH AS U.S.-AND-MEXICAN-BASED COCAINE TRAFFICKING INTO CANADA, WEAPONS IMPORTATION, AND THE MOVEMENT OF EPHEDRINE AND ECSTASY-THAT WOULD OTHERWISE BE BEYOND THEIR REACH. LESS INFORMATION IS AVAILABLE ON METHAMPHETAMINE LINKS TO ORGANIZED CRIME, BUT THE JUNE RCMP REPORT ATTRIBUTES MOST METHAMPHETAMINE AND OTHER CHEMICAL DRUGS TO HELLS ANGELS AND ASIAN-BASED ORGANIZATIONS.
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SUBJECT: MARIJUANA FLOURISHES IN B.C. AS METHAMPHETAMINE CRISIS HEIGHTENS

REF: VANCOUVER 1470

1. Summary: The number of individual marijuana grow operations, or grow-ops, in British Columbia has leveled-off since 2000, but they continue to increase in size and sophistication, according to a June 2005 RCMP report and a study by the University College of the Fraser Valley's Department of Criminology and Criminal Justice. Law enforcement is becoming progressively less effective in stopping marijuana grow-op crimes in the province. B.C. is a very large supplier of smuggled marijuana and ecstasy to the U.S., and crime groups have started using helicopters as a more secure way of transit across the border. Methamphetamine is a major and growing source of concern in the province, and production has shifted away from the U.S. and more to B.C. where domestic demand for the drug is on the rise. Organized crime groups are believed to be the main players in the drug trade, the profits for which they use to finance other crimes. End Summary.

New trends in marijuana grow-ops

2. British Columbia has the worst cultivation of marijuana problem in Canada, reporting almost three times the national average for grow-ops. Although the number of grow-ops in B.C. has leveled-off since skyrocketing in the late 1990s, the size of grow-ops has increased dramatically. Since 1997, there has been a 60% increase in the number of plants seized in grow-op raids, and the average quantity of harvested marijuana seized has tripled. For example, in a number of recent raids, RCMP seized up to 15,000 plants. This increase in size of grow-ops correlates with two other noticeable changes-a location shift from urban to rural and more sophisticated operations.

3. While the overall number of grow-ops uncovered in the Lower Mainland and Greater Victoria urban areas has decreased since 2000, a shift from the cities to more rural areas is on the rise. This shift from urban to rural areas has given marijuana growers opportunities to procure larger properties, allowing for greater production and less police and community detection. While three-fourths of grow-ops occur in homes or apartments, the recent shift has taken many operations out of the smaller urban homes into multimillion dollar suburban and rural houses, many of which are used solely for growing marijuana. Public sources recounted some recent cases of drug lords owning mortgage companies and renting homes to known marijuana producers.

4. Marijuana grow operations have become more sophisticated than in past years. More specialized equipment is used today than a few years ago. For example, growers use high-voltage light bulbs more often and in greater quantities than they did in 1997. In addition, growers are using more electric generators, and are coming up with more ways to steal and divert energy.

Prosecution of marijuana growers is lacking

5. Even though the number of reported grow-ops has leveled-off, the criminal justice system is increasingly unwilling to prosecute growers caught in the act. Each year fewer cases are being fully investigated, fewer offenders are charged and convicted, and sentences are more lenient. In fact, 50% of marijuana seizures terminate in "no case," leaving the offender free to continue his/her crime. The vast majority of individuals actually charged in grow-ops are convicted; however,

only 16% of these offenders go to prison, with an average prison sentence of 4.9 months. Conditional sentences and probation frequently take the place of prison time.

Where all the marijuana goes

16. RCMP reports that B.C. produces much more marijuana than it actually uses. RCMP believes that up to 95% of the province's marijuana is smuggled mostly into the western U.S., other Canadian provinces, the eastern United States, and Europe. Canada is the second-largest supplier of smuggled marijuana to the U.S., behind only Mexico, and most of the Canadian marijuana sent to the U.S. is from British Columbia.

17. According to a Vancouver Sun report and Consulate law enforcement staff, the use of helicopters to transport marijuana from Canada to the U.S. is a new trend. Criminal groups use drug money to buy used helicopters for as little as \$100,000. They generally hire a pilot to teach group members how to fly the helicopter, and pay a farmer near the border to store their helicopter. Trafficking by air is faster and more secure than on land and even if air traffic control signals the pilot, police have no way to pull him over or verify his identity.

The scourge of methamphetamine

18. Of increasing concern in B.C. is the significant increase in the availability and production of methamphetamine, particularly crystal meth. Authorities are locating more and more "meth" labs in B.C., and in September, police responded to a "break and enter" 911 call and uncovered a lab containing \$2.5 million worth of methamphetamine. The lab was capable of producing more than twelve kilograms of the drug every 48 hours. An RCMP report indicates that methamphetamine laboratories are expanding at an alarming rate.

19. Previously, Canada's methamphetamine supply came primarily from the U.S. (via Mexico); however, circumstances have shifted most major labs north into B.C. In the U.S., restrictions on the sale of chemicals used to manufacture methamphetamine force manufacturers to divert legitimate ephedrine from distributors and extract ephedrine from medication. These difficulties, together with effective prosecution of methamphetamine producers and the relative lack of such deterrents in Canada, have slowed the expansion of most major labs in the U.S., and the smaller labs are unable to supply the Canadian demand, opening wide the way for large domestic "meth" labs, such as the one uncovered in September. Most meth manufactured in BC is for domestic consumption. DEA tells us that there is little evidence to show a trend in bulk shipments of meth going south. However, that said, the precursors for making meth are routinely and legitimately sent south. Canadian export restrictions for these precursors is lax, according to DEA staff stationed in Vancouver. Also, the precursors for making ecstasy are imported from several different places and the finished product is then moved south into the U.S., mainly by Vietnamese crime groups.

110. The Province newspaper reports that in B.C. one can buy all the raw materials needed to produce methamphetamine for roughly \$100 at almost any local drug store or hardware store. Weak sentencing guidelines give police little incentive to investigate meth producers, and create little deterrent to manufacturers and dealers of the drug.

111. Senior officials in B.C. have begun to take the methamphetamine crisis seriously. For example, Premier Gordon Campbell recently announced a \$7 million increase in funding and several new initiatives to strengthen the province's fight against crystal meth, including funding campaigns against the drug in local communities, launching a public awareness campaign, and expanding treatment across the province. He also pledged to continue working with the federal government to toughen sentencing for meth dealers and producers. The RCMP recently asked the DEA for help fighting methamphetamine with training and expertise. And the Minister for Public Safety and Solicitor General asked the Consul General to assist him in identifying and sending US experts to come to BC to speak out on the dangers of methamphetamine use and to provide advice on how to attack this growing drug problem.

Links to organized crime

112. DEA officials told us that organized crime is behind almost all of B.C.'s drug trade (see reftel). While organized crime in the province is traditionally defined as motorcycle and ethnic gangs, an RCMP report explains that ethnic barriers are dissolving, making way for high levels of cooperation among the various organized crime groups, which specialize in specific aspects of the trade and share their earnings. For example, Vietnamese gangs grow marijuana, which Indo-Canadian organizations then transport into the United States. Hells Angels often oversee networks of growers and help coordinate smuggling runs into the U.S. Crime rings use marijuana grow-ops to fund other serious crimes-such as U.S.-and-Mexican-based cocaine trafficking into Canada, weapons importation, and the movement of ephedrine and Ecstasy-that would otherwise be beyond their reach. Less information is available on methamphetamine links to organized crime, but the June RCMP report attributes most methamphetamine and other chemical drugs to Hells Angels

and Asian-based organizations.
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